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If you are in any doubt as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares of China Southern Airlines Company Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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中国南方航空股份有限公司 CHINA SOUTHERN AIRLINES COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1055)

- (1) GENERAL MANDATE TO ISSUE SHARES;
(2) GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS;
(3) UNRECOVERED LOSSES AMOUNTING TO ONE-THIRD OF
THE TOTAL PAID-UP SHARE CAPITAL;
AND
(4) NOTICE OF AGM**

A notice convening the AGM to be held at 9:30 a.m. on Friday, 24 May 2024 at No. 3301 Conference Room, 33th Floor, China Southern Airlines Building, No. 68 Qixin Road, Bai Yun District, Guangzhou, Guangdong Province, the PRC, a form of proxy to be used at the AGM and a reply slip are despatched by the Company together with this circular and are also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.csair.com>).

If you are not able to attend and/or vote at the AGM, you are strongly urged to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting should you so wish.

9 April 2024

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“A Share(s)”	A Share(s) of RMB1.00 each in the capital of the Company
“AGM”	an annual general meeting of the Company to be convened at 9:30 a.m. on Friday, 24 May 2024
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of the Directors of the Company
“China” or “PRC”	the People’s Republic of China and, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Company”	China Southern Airlines Company Limited, a company incorporated under the laws of the PRC whose H Shares and A Shares are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively
“Debt Financing Instruments”	the debt financing instruments to be issued by the Company and/or its controlled or wholly-owned subsidiary in one or multiple tranches, including but not limited to corporate bonds, ultra-short-term financing bills, short-term financing bills and mid-term notes
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries (as defined in the Listing Rules)
“H Share(s)”	H Share(s) with a nominal value of RMB1.00 each in the share capital of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Latest Practicable Date”	5 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“Proposed Issuance”	the proposed issuance of the Debt Financing Instruments by the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the holders of the Shares
“Shares”	collectively, A Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



中国南方航空股份有限公司
CHINA SOUTHERN AIRLINES COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1055)

Directors:

Executive Directors:

Ma Xu Lun (*Chairman of the Board*)

Han Wen Sheng

(Vice Chairman of the Board and President)

Luo Lai Jun

Registered address:

Unit 301, 3/F, Office Tower

Guanhao Science Park Phase I

12 Yuyan Street, Huangpu District

Guangzhou, Guangdong Province

PRC 510530

Independent non-executive Directors:

Pansy Catilina Chiu King Ho

Gu Hui Zhong

Guo Wei

Cai Hong Ping

Supervisors:

Ren Ji Dong (*Chairman of the Supervisory Committee*)

Lin Xiao Chun

Yang Bin

9 April 2024

To the Shareholders

Dear Sir or Madam,

- (1) GENERAL MANDATE TO ISSUE SHARES;**
(2) GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS;
(3) UNRECOVERED LOSSES AMOUNTING TO ONE-THIRD OF
THE TOTAL PAID-UP SHARE CAPITAL;
AND
(4) NOTICE OF AGM

I. INTRODUCTION

The purpose of this circular is to provide you with information regarding, among other things, (1) the proposed grant of general mandate to the Board to issue Shares; (2) the proposed grant of general mandate to the Board to issue Debt Financing Instruments; (3) the Company's unrecovered losses amounting to one-third of the total paid-up share capital; and (4) the notice of the AGM.

LETTER FROM THE BOARD

II. GENERAL MANDATE TO ISSUE SHARES

In order to ensure flexibility and to give discretion to the Board in the event that it becomes desirable to issue any Shares, a special resolution will be proposed at the AGM to give an unconditional general mandate to the Board, to separately or concurrently, allot, issue, and deal with additional A Shares and H Shares of the Company and to make or grant offers, agreements or options in respect thereof, with a total number of Shares not exceeding 20% of the total number of each of the existing A Shares and H Shares in issue as at the date of passing the relevant resolution at the AGM (the “**General Mandate**”), at a discount (if any) of no more than 20% to the benchmark price as required by Rule 13.36(5) of the Listing Rules.

The General Mandate will lapse until the earlier of:

- (a) the conclusion of the 2024 annual general meeting of the Company;
- (b) the expiration of the 12 months period following the passing of this resolution; and
- (c) the revocation or variation of the authority given to the Board under this resolution by a special resolution of the Shareholders at a general meeting.

Pursuant to the relevant laws and regulations of the PRC, any additional issuance of A Shares exceeding RMB300 million and exceeding 20% of the net assets of the Company at the latest year end would still require the approval of the Shareholders at a general meeting even if the General Mandate is approved at the AGM. Given the size of the Company, issuance of A Shares not exceeding RMB300 million and not exceeding 20% of the net assets of the Company at the latest year end is not applicable to the Company, and the Company currently has no plan to issue Shares with small value to specific targets so that no authorization is proposed to the AGM as to issuance of A Shares with small value, meaning that any issuance of A Shares in any amount would require prior approval from the Shareholders at a general meeting.

As at 31 March 2024, the Company had in issue 18,120,907,616 Shares, including 13,476,910,308 A Shares and 4,643,997,308 H Shares. Subject to the passing of the proposed resolution for the approval of the General Mandate and in accordance with the terms therein, the Company would be allowed to allot, issue and deal with up to a maximum of 2,695,382,061 A Shares and 928,799,461 H Shares, respectively, representing 20% of the number of A Shares and H Shares in issue, respectively, on the basis that no further A Shares and H Shares will be issued by the Company prior to the AGM.

It is also proposed at the AGM to give a conditional general mandate to the Board to increase the registered capital of the Company to reflect the issuance of Shares authorised under the General Mandate, to make such appropriate and necessary amendments to the Articles of Association as it thinks fit to reflect such increase in the registered capital of the Company, and to take any other action and go through any procedure required to effect such increase in the registered capital of the Company.

LETTER FROM THE BOARD

III. GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS

(i) General Information

In order to establish highly-efficient, fast and cost-efficient financing channels and better meet the demand of the operation and long-term development of the Company, the Company proposes to issue one or a portfolio of Debt Financing Instruments in one or multiple tranches. In order to seize the market opportunity and improve the financing flexibility and efficiency, the Board has resolved to obtain the general mandate to issue the Debt Financing Instruments, which shall be subject to the Shareholders' approval by way of a special resolution at the AGM.

(ii) Particulars of Proposed Issuance

Particulars regarding the Proposed Issuance are as follows:

- | | |
|----------------------|--|
| (a) Issuer: | the Company and/or its controlled or wholly-owned subsidiary, and the specific issuer shall be determined by the Board according to the needs of issuance |
| (b) Issue size: | the balance of each type of Debt Financing Instruments outstanding will be within the permissible size for debt issuance in accordance with the requirements of the applicable laws, and the Debt Financing Instruments shall be issued in accordance with this mandate. The specific issue size shall be determined by the Board according to the capital needs and the market conditions |
| (c) Term and type | not more than 15 years for one single-term type of instrument or a portfolio of multiple types of instruments with various terms (excluding perpetual bonds), and the specific term composition and the issue size of different types of instruments with various terms shall be determined by the Board according to the relevant requirements and market conditions |
| (d) Use of proceeds: | the proceeds to be raised from the Proposed Issuance are intended to be used towards meeting the demand of the Company's production and operations, adjusting its debt structure, replenishing its working capital and/or investment in its projects, among others, and the specific use of proceeds shall be determined by the Board according to the capital needs |

LETTER FROM THE BOARD

- (e) Term of validity of the mandate from the date of the passing of the resolution at the AGM to the date of the 2024 annual general meeting of the Company. If the Board and/or its authorized representative has decided on the relevant issuance within the term of validity of the mandate, and the Company has also obtained the approval, permission or registration from the regulatory departments for the issuance within the term of validity of the mandate, the Company may complete the relevant issuance within the valid period of such approval, permission or registration

(iii) Authorisation to the Board

It is proposed to the Shareholders at the AGM to authorise the Board, generally and unconditionally, to deal with the following in accordance with the specific needs of the Company and market conditions:

- (a) to determine the issuer, type, specific instruments, detailed terms, conditions and other matters relating to the Proposed Issuance (including, but not limited to, the specific issue size, actual principal amount, currency, issue price, interest rate or mechanism for determining the interest rate, issue place, issue timing, term, whether or not to issue in multiple tranches and number of tranches, whether or not to set repurchase or redemption terms, credit rating, guarantee, repayment term, use of proceeds, underwriting arrangements and all other matters relating to the Proposed Issuance).
- (b) to take all necessary and incidental actions and steps in respect of the Proposed Issuance (including, but not limited to, engagement of intermediaries, making applications to relevant regulatory authorities on behalf of the Company for approval, registration, filing and other procedures relating to the Proposed Issuance, execution of all necessary legal documents related to the Proposed Issuance to proceed with the issuance and other matters relating to the repayment of principal and interest and trading of the Debt Financing Instruments during their terms).
- (c) to approve, confirm and endorse any of the above actions and steps taken by the Company relating to the Proposed Issuance.
- (d) to make adjustments to the specific plans for the Proposed Issuance in accordance with the opinions of the relevant regulatory authorities or the then prevailing market conditions within the authority of the Board, in the case of any change in policies of regulatory authorities or any change of market conditions, except where voting at a general meeting is required by any relevant laws and regulations and the Articles of Association of the Company.

LETTER FROM THE BOARD

- (e) to determine and handle all relevant matters relating to the listing of the Debt Financing Instruments upon the completion of the Proposed Issuance, and other matters relating to the repayment of principal and interest and trading of the Debt Financing Instruments during their terms.
- (f) to approve, sign and distribute announcements and circulars relating to the Proposed Issuance in accordance with the applicable regulatory rules adopted at the listing place, and to disclose relevant information.
- (g) to deal with other specific matters relating to the Proposed Issuance and the listing of relevant Debt Financing Instruments.
- (h) to make adjustments to each relevant matter and the performance during the term of validity in accordance with laws, regulations and normative documents and the actual performance of the Debt Financing Instruments issued.

IV. THE COMPANY'S UNRECOVERED LOSSES AMOUNTING TO ONE-THIRD OF THE TOTAL PAID-UP SHARE CAPITAL

Reference is made to the Company's announcement dated 27 March 2024 in relation to the Company's unrecovered losses amounting to one-third of the total paid-up share capital.

According to the audit report issued by KPMG Huazhen LLP ("KPMG Huazhen"), the amount of uncovered losses in the Company's consolidated statements as at 31 December 2023 has exceeded one-third of the total paid-up share capital, details of which are set out as follows:

(i) Preview

According to the audit report issued by KPMG Huazhen, the amount of uncovered losses in the Company's consolidated statements as at 31 December 2023 was RMB36.888 billion, while the Company's paid-up share capital was RMB18.121 billion, and accordingly the amount of uncovered losses has exceeded one-third of the total paid-up share capital. In accordance with the Company Law and the Articles of Association of the Company, the Company's uncovered losses amounted to one-third of the total paid-up share capital, which shall be subject to consideration at the general meeting of the Company.

(ii) Major Reasons for the Uncovered Losses

In 2023, the domestic economy continued to recover and civil aviation production was restored, however, the industry and the Company still failed to turn around its losses due to the impact of residents' weak consumption ability, the pressure on jet fuel costs, the poor supply chain and the depreciation of Renminbi. The Company overcame the difficult challenges through its own subjective efforts and made comprehensive efforts on the revenue side, cost side, management side and strategic side to improve production, operation and cost control. However, as affected by multiple factors, the operating results of the Company in 2023 continued to suffer loss, and accumulated uncovered losses amounting to RMB36.888 billion.

LETTER FROM THE BOARD

(iii) Countermeasures

In 2024, the situation will remain complex and severe. The management of the Company will make preparations for all kinds of risks and challenges, maintain its confidence and determination to promote high-quality development, and do its best to improve operating efficiency through the following measures:

- (a) strengthen market research and judgment. We will seriously study the operating situation, scientifically research the domestic and international economic situation and the development trend of the aviation market, strengthen the analysis of new market characteristics, summarize the rules and regulations, and make a good response to the situation.
- (b) enhance the capacity of passenger and cargo operations. We will seize the opportunity of market recovery, strengthen passenger and freight linkage, improve the quality of hub construction, enhance product system construction and deepen ecosystem construction, so as to enhance the operating capacity of passenger and freight transportation.
- (c) establish core competitiveness in the market. We will enhance hub network synergies and strengthen capacity refinement. We will promote the integration of customer operations to further enhance our market control and competitiveness in the Greater Bay Area.
- (d) consolidate and improve cost control. We will continue to promote the Golden Idea Efficiency Project to further reduce costs and increase efficiency. We will further promote the value creation action against world-class enterprises, and deepen the benchmarking and creation of benchmarks.
- (e) efforts will be made to improve operational efficiency. We will strengthen system thinking, link core resource allocation, improve aircraft utilization, consolidate our leading position in operations, and realize intensive resource allocation and maximize efficiency.

V. AGM

A notice convening the AGM to be held at 9:30 a.m. on Friday, 24 May 2024 at No. 3301 Conference Room, 33th Floor, China Southern Airlines Building, No. 68 Qixin Road, Bai Yun District, Guangzhou, Guangdong Province, the PRC, a form of proxy to be used at the AGM and a reply slip are despatched by the Company together with this circular and are also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.csair.com>).

LETTER FROM THE BOARD

In order to determine the list of Shareholders who are entitled to attend the AGM, the Company's register of members will be closed from Wednesday, 24 April 2024 to Friday, 24 May 2024, both days inclusive, during which period no transfer of H Shares will be effected. In order to attend and vote at the AGM, holders of H Shares whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the registrar of the Company in Hong Kong, Hong Kong Registrars Limited, at or before 4:30 p.m. on Tuesday, 23 April 2024, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Whether or not you intend to attend the AGM, you are requested to complete and return (a) the reply slip in accordance with the instructions printed thereon not later than Friday, 3 May 2024 and (b) the form of proxy enclosed in the notice of AGM in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending the AGM and voting in person if you so wish.

VI. RECOMMENDATION OF THE BOARD

The Directors believe that all the resolutions proposed for consideration and approval by the Shareholders at the AGM are in the best interests of the Company and the Shareholders as a whole, and the Company will continue to comply with the requirements of the Listing Rules and all the decisions made by the Board will be in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM as set out in the notice of AGM.

VII. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By Order of the Board
Ma Xu Lun
Chairman

REPORT ON USE OF PROCEEDS FROM PREVIOUS FUND RAISING ACTIVITIES
AS OF 31 DECEMBER 2023

According to the Guideline on the Application of Regulatory Rules – Issue Category No. 7 (《監管規則適用指引-發行類第7號》) issued by the China Securities Regulatory Commission, the use of the proceeds from previous fund raising activities as of 31 December 2023 of China Southern Airlines Company Limited (hereinafter referred to as “China Southern Airlines” or the “Company”) is reported as follows:

I. BASIC INFORMATION OF PROCEEDS FROM PREVIOUS FUND RAISING ACTIVITIES**(I) Actual Amount of Proceeds Raised and the Time of Receipt****1. Proceeds from Non-public Issuance of A Shares and Non-public Issuance of H Shares in 2020***(1) Proceeds from Non-public Issuance of A Shares in 2020*

As approved by the Approval on the Non-public Issuance of Shares of China Southern Airlines Company Limited (Zheng Jian Xu Ke [2020] No. 918) issued by the China Securities Regulatory Commission (hereinafter referred to as “CSRC”), China Southern Airlines issued 2,453,434,457 A Shares by way of non-public issuance to China Southern Air Holding Company Limited (hereinafter referred to as “CSAH”) at an issue price of RMB5.21 per share on 11 June 2020. The gross proceeds from the issuance were RMB12,782,393,520.97, and after deduction of sponsorship and underwriting expenses of RMB2,000,000.00 (VAT inclusive), the actual net subscription amount in cash received was RMB12,780,393,520.97. In addition, after deduction of other issuance expenses (VAT inclusive) paid by the Company of RMB4,308,207.55 in total, the actual net proceeds raised were RMB12,776,085,313.42.

The proceeds were received on 11 June 2020. KPMG Huazhen LLP inspected the availability of the proceeds and issued a capital verification report (KPMG Huazhen Yan Zi No. 2000486) on 12 June 2020.

(2) Proceeds from Non-public Issuance of H Shares in 2020

As approved by the Approval on Issuance of Overseas Listed Foreign Shares of China Southern Airlines Company Limited (Zheng Jian Xu Ke [2020] No. 547) issued by the CSRC, China Southern Airlines issued 608,695,652 H Shares by way of non-public issuance to Nan Lung Holding Limited (hereinafter referred to as “Nan Lung Holding”) at an issue price of HK\$5.75 per share on 15 April 2020. The gross proceeds of HK\$3,499,999,999.00 were all received on 15 April 2020, and converted into RMB3,178,664,999.09 based on the middle exchange rate for Hong Kong dollar to Renminbi on 15 April 2020, the date of receipt (HK\$1 = RMB0.90819). In addition, after deduction of issuance expenses, being equivalent to RMB3,570,544.56, the net proceeds raised were RMB3,175,094,454.53.

The proceeds were received on 15 April 2020. KPMG Huazhen LLP inspected the availability of the proceeds and issued a capital verification report (KPMG Huazhen Yan Zi No. 2000406) on 28 April 2020.

2. *Proceeds from Public Issuance of A Share Convertible Bonds in 2020*

As approved by the Approval on Public Issuance of Convertible Bonds of China Southern Airlines Company Limited (Zheng Jian Xu Ke [2020] No. 2264) issued by the CSRC, China Southern Airlines publicly issued a total of 160,000,000 A Share convertible corporate bonds (hereinafter referred to as the “**Convertible Bonds**”) with a nominal value of RMB100.00 each. The gross proceeds from the issuance were RMB16,000,000,000.00, and after deduction of sponsorship and underwriting expenses of RMB17,691,726.00 (VAT inclusive), the actual net subscription amount in cash received was RMB15,982,308,274.00. After deduction of other issuance expenses (VAT inclusive) payable by the Company of RMB2,704,354.28 in total, the actual net proceeds raised were RMB15,979,603,919.72.

The proceeds were received on 21 October 2020. KPMG Huazhen LLP inspected the availability of the proceeds and issued a capital verification report (KPMG Huazhen Yan Zi No. 2000749) on 21 October 2020.

3. *Proceeds from Non-public Issuance of A Shares and Non-public Issuance of H Shares in 2022*

(1) Proceeds from Non-public Issuance of A Shares in 2022

As approved by the Approval on the Non-public Issuance of Shares of China Southern Airlines Company Limited (Zheng Jian Xu Ke [2022] No. 2287) issued by the CSRC, China Southern Airlines issued 803,571,428 A Shares by way of non-public issuance to CSAH at an issue price of RMB5.60 per share on 10 November 2022. The gross proceeds from the issuance were RMB4,499,999,996.80, and after deduction of sponsorship and underwriting expenses of RMB1,800,000.00 (VAT inclusive), the actual net subscription amount in cash received was RMB4,498,199,996.80. In addition, after deduction of other issuance expenses (VAT inclusive) payable by the Company of RMB2,196,679.71 in total, the actual net proceeds raised were RMB4,496,003,317.09.

The proceeds were received on 10 November 2022. Baker Tilly China Certified Public Accountants LLP inspected the availability of the proceeds and issued a capital verification report (Baker Tilly Ye Zi [2022] No. 44587) on 11 November 2022.

(2) Proceeds from Non-public Issuance of H Shares in 2022

As approved by the Approval on Issuance of Overseas Listed Foreign Shares of China Southern Airlines Company Limited (Zheng Jian Xu Ke [2022] No. 497) issued by the CSRC, China Southern Airlines issued 368,852,459 H Shares by way of non-public issuance to Nan Lung Holding at an issue price of HK\$4.88 per share on 10 August 2022. The gross proceeds of HK\$1,799,999,999.92 were all received before 10 August 2022, and converted into RMB1,550,393,999.93 based on the middle exchange rate for Hong Kong dollar to Renminbi on 10 August 2022, the date of issuance (HK\$1 = RMB0.86133). In addition, after deduction of issuance expenses payable, being equivalent to RMB1,510,377.92, the actual net proceeds raised were RMB1,548,883,622.01.

The proceeds were received on 9 August 2022. Baker Tilly China Certified Public Accountants LLP inspected the availability of the proceeds and issued a capital verification report (Baker Tilly Ye Zi [2022] No. 38729) on 8 September 2022.

(II) Deposit of Proceeds Raised

China Southern Airlines has opened special accounts for proceeds raised in accordance with the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (《上海證券交易所股票上市規則》), the No. 2 Regulatory Guidance on Listed Companies – Regulatory Requirements for Management and Use of Raised Funds of Listed Companies (《上市公司監管指引第2號–上市公司募集資金管理和使用的監管要求》), the Guidelines for Self-regulation of Listed Companies on the Shanghai Stock Exchange No. 1 – Regulated Operation (《上海證券交易所上市公司自律監管指引第1號–規範運作》) and the Use and Management System of Raised Funds of China Southern Airlines Company Limited (《中國南方航空股份有限公司募集資金使用與管理制度》) (hereinafter referred to as the “**Raised Funds Management System**”) of the Company, and set out provisions on the deposit and utilisation of proceeds raised, project implementation management, investment project changes and supervision of utilisation of proceeds raised.

1. Information of Deposit of Proceeds from Non-public Issuance of A Shares in 2020

Upon receipt of the proceeds, China Southern Airlines set up a special account for the proceeds at Foshan Branch, a subordinate branch of China Everbright Bank Company Limited Guangzhou Branch based on the actual needs of projects to be financed by the proceeds. The proceeds would be earmarked for intended purposes. China Southern Airlines and the sponsor China International Capital Corporation Limited (hereinafter referred to as “**CICC**”) signed a Tripartite Supervision Agreement on Proceeds Raised with China Everbright Bank Company Limited Guangzhou Branch on 12 June 2020. On 13 October 2020, the 8th session of the board of directors of China Southern Airlines reviewed and approved the addition of Southern Airlines Nansha Finance Leasing (Guangzhou) Co., Ltd. (hereinafter referred to as “**Nansha Leasing Company**”), a wholly-owned subsidiary of China Southern Airlines, as an implementation entity of the project “Procurement of 31 Aircraft” to be financed by the proceeds from the non-public issuance of A Shares in 2020, which means China Southern Airlines and Nansha Leasing Company would act as the joint implementation entities of the above project. On 22 October 2020, China Southern Airlines, Nansha Leasing Company, the sponsor CICC and China Everbright Bank Company Limited Guangzhou Branch signed a Four-Party Supervision Agreement on Special Account Keeping for Proceeds Raised. Nansha Leasing Company opened a special account at Guangzhou Tianhe Sub-branch, a subordinate branch of China Everbright Bank Company Limited Guangzhou Branch, for the proceeds from the non-public issuance of A Shares in 2020. All the proceeds raised from the non-public issuance of A Shares in 2020 and allocated based on the payment schedule regarding Nansha Leasing Company’s aircraft introduction were temporarily deposited in the special accounts for the proceeds.

APPENDIX I**REPORT ON USE OF PROCEEDS FROM
PREVIOUS FUND RAISING ACTIVITIES**

As of 31 December 2023, the balance of the special accounts for proceeds raised was as follows:

Unit: RMB

Account name	Deposit bank	Bank account number	Way of deposit	Balance
China Southern Airlines Company Limited	China Everbright Bank Company Limited Foshan Branch	38720188000280452	Demand	163,724.42
Southern Airlines Nansha Finance Leasing (Guangzhou) Co., Ltd.	China Everbright Bank Company Limited Guangzhou Tianhe Sub-branch	38650188000188830	Demand	273,041.73
Total				<u>436,766.15</u>

In order to improve the efficiency of utilising the proceeds, China Southern Airlines utilised idle proceeds to subscribe for large-value certificate of deposit for corporate purposes. The details of the above-mentioned investment products for cash management are as follows:

Unit: RMB

Account name	Issuer	Product name	Product type	Amount	Time limit	Annual interest rate
China Southern Airlines Company Limited	China Everbright Bank Company Limited	Large-value certificate of deposit	Deposit	1,564,000,000.00	2023/6/26-2026/6/26 (can be transferred at any time)	3.25%
		Large-value certificate of deposit	Deposit	57,500,000.00	2023/6/26-2026/6/26 (can be transferred at any time)	3.25%
Total				<u>1,621,500,000.00</u>		

2. Information of Deposit of Proceeds from Public Issuance of A Share Convertible Bonds in 2020

Upon receipt of the proceeds, China Southern Airlines set up a special account for the proceeds at Foshan Branch, a subordinate branch of China Everbright Bank Company Limited Guangzhou Branch based on the actual needs of projects to be financed by the proceeds. The proceeds would be earmarked for intended purposes. China Southern Airlines and the sponsor CICC signed a Tripartite Supervision Agreement on Special Account Keeping for Proceeds Raised with China Everbright Bank Company Limited Guangzhou Branch on 21 October 2020. On 13 November 2020, the 8th session of the board of directors of China Southern Airlines reviewed and approved the addition of Nansha Leasing Company, a wholly-owned subsidiary of China Southern Airlines, as an implementation entity of the project of procurement of 11 aircraft in “Purchasing Aircraft and Aviation Equipment and Maintenance” project to be financed by the proceeds from the public issuance of A Share Convertible Bonds in 2020, which means China Southern Airlines and Nansha Leasing Company would act as the joint implementation entities of the above project. On 27 November 2020, China Southern Airlines, Nansha Leasing Company, the sponsor CICC and China Everbright Bank Company Limited Guangzhou Branch signed a Four-Party Supervision Agreement on Special Account Keeping for Proceeds Raised. Nansha Leasing Company opened a special account at Guangzhou Tianhe Sub-branch, a subordinate branch of China Everbright Bank Company Limited Guangzhou Branch, for the proceeds from the public issuance of A Share Convertible Bonds in 2020. All the proceeds raised from the public issuance of A Share Convertible Bonds in 2020 and allocated based on the payment schedule regarding Nansha Leasing Company’s aircraft introduction were temporarily deposited in the special accounts for the proceeds.

As of 31 December 2023, the balance of the special accounts for proceeds raised was as follows:

Unit: RMB

Account name	Deposit bank	Bank account number	Way of deposit	Balance
China Southern Airlines Company Limited	China Everbright Bank Company Limited Foshan Branch	38720188000312602	Demand	4,045,082.34
Southern Airlines Nansha Finance Leasing (Guangzhou) Co., Ltd.	China Everbright Bank Company Limited Guangzhou Tianhe Sub-branch	38650188000197684	Demand	1,549.69
Total				<u>4,046,632.03</u>

In order to improve the efficiency of utilising the proceeds, the Company utilised idle proceeds to subscribe for large-value certificate of deposit for corporate purposes. The details of the above-mentioned investment products for cash management are as follows:

Unit: RMB

Account name	Issuer	Product name	Product type	Amount	Time limit	Annual interest rate
China Southern Airlines Company Limited	China Merchants Bank Co., Ltd.	Large-value certificate of deposit	Deposit	500,000,000.00	2023/11/17-2026/11/17 (can be transferred at any time)	2.90%
China Southern Airlines Company Limited	Bank of Communications Co., Ltd.	Large-value certificate of deposit	Deposit	130,000,000.00	2023/11/16-2026/11/16 (can be transferred at any time)	2.75%
China Southern Airlines Company Limited	Bank of Communications Co., Ltd.	Large-value certificate of deposit	Deposit	70,000,000.00	2023/11/17-2026/11/17 (can be transferred at any time)	2.75%
China Southern Airlines Company Limited	Bank of China Limited	Large-value certificate of deposit	Deposit	400,000,000.00	2023/11/16-2026/11/16 (can be transferred at any time)	2.65%
China Southern Airlines Company Limited	Bank of China Limited	Large-value certificate of deposit	Deposit	775,000,000.00	2023/11/17-2026/11/17 (can be transferred at any time)	2.65%
Total				<u>1,875,000,000.00</u>		

The Company has set up special settlement accounts for proceeds raised for cash management and subscribed for large-value certificate of deposit under the special accounts. The balance of the special settlement accounts for proceeds raised for cash management is as follows:

Account name	Deposit bank	Bank account number	Way of deposit	Balance
China Southern Airlines Company Limited	China Merchants Bank Co., Ltd. Guangzhou Jichang Road Sub-branch	020900011210000	Demand	–
China Southern Airlines Company Limited	Bank of Communications Co., Ltd. Guangzhou Lantian Sub-branch	441165853013002646746	Demand	388.89
China Southern Airlines Company Limited	Bank of China Limited Guangdong Branch	649678007032	Demand	4,305.56
Total				<u>4,694.45</u>

3. *Information of Deposit of Proceeds from Non-public Issuance of A Shares in 2022*

Upon receipt of the proceeds, China Southern Airlines set up a special account for the proceeds at Guangzhou Baiyun Sub-branch, a subordinate branch of China CITIC Bank Corporation Limited Guangzhou Branch based on the actual needs of projects to be financed by the proceeds. The proceeds would be earmarked for intended purposes. China Southern Airlines and the sponsor CICC signed a Tripartite Supervision Agreement on Special Account Keeping for Proceeds Raised with China CITIC Bank Corporation Limited Guangzhou Branch on 10 November 2022. All the proceeds were deposited in the special account for the proceeds.

As of 31 December 2023, the proceeds from non-public issuance of A Shares in 2022 had been fully utilised, and the special account for proceeds from non-public issuance of A Shares in 2022 had been closed.

II. ACTUAL USE OF PROCEEDS FROM PREVIOUS FUND RAISING ACTIVITIES**(I) Use of Proceeds from Previous Fund Raising Activities****1. *Proceeds from Non-public Issuance of A Shares and Non-public Issuance of H Shares in 2020******(1) Proceeds from Non-public Issuance of A Shares in 2020***

As of 31 December 2023, China Southern Airlines had utilised the proceeds from the non-public issuance of A Shares in 2020 of RMB11,570,415,000.31 on an accumulated basis, and the balance of the unutilised proceeds was RMB1,205,670,313.11. As of 31 December 2023, the unredeemed or undue amount of China Southern Airlines' cash management of idle proceeds was RMB1,621,500,000.00, the balance of the special accounts for proceeds was RMB436,766.15, and the balance of proceeds totaled RMB1,621,936,766.15 (including interest income generated by depositing the proceeds at bank and the cash management income of idle proceeds totaling RMB416,266,453.04).

(2) Proceeds from Non-public Issuance of H Shares in 2020

As of 31 December 2023, the proceeds from the non-public issuance of H Shares in 2020 had been fully utilised.

2. *Proceeds from Public Issuance of A Share Convertible Bonds in 2020*

As of 31 December 2023, China Southern Airlines had utilised the proceeds from the public issuance of A Share Convertible Bonds in 2020 of RMB14,792,049,799.69 on an accumulated basis, and the balance of the unutilised proceeds raised was RMB1,187,554,120.03. As at 31 December 2023, the unredeemed or undue amount of China Southern Airlines' cash management of idle proceeds was RMB1,875,000,000.00, the balance of the proceeds accounts was RMB4,051,326.48, and the balance of the proceeds totalled RMB1,879,051,326.48 (including interest income generated by depositing the proceeds at bank and the cash management income of idle proceeds totalling RMB691,497,206.45).

3. *Proceeds from Non-public Issuance of A Shares and Non-public Issuance of H Shares in 2022****(1) Proceeds from Non-public Issuance of A Shares in 2022***

As of 31 December 2023, the proceeds from the non-public issuance of A Shares of China Southern Airlines in 2022 had been fully utilised, and the special account for proceeds from non-public issuance of A Shares in 2022 had been closed.

(2) *Proceeds from Non-public Issuance of H Shares in 2022*

As of 31 December 2023, the proceeds from the non-public issuance of H Shares in 2022 had been fully utilised.

As of 31 December 2023, for the details of actual use of proceeds from the previous fund raising activities of China Southern Airlines, please refer to the “Comparison Table of Use of Proceeds Raised – Proceeds from Non-public Issuance of A Shares in 2020” (Schedule 1-1), “Comparison Table of Use of Proceeds Raised – Proceeds from Non-public Issuance of H Shares in 2020” (Schedule 1-2), “Comparison Table of Use of Proceeds Raised – Proceeds from Public Issuance of A Share Convertible Bonds in 2020” (Schedule 1-3), “Comparison Table of Use of Proceeds Raised – Proceeds from Non-public Issuance of A Shares in 2022” (Schedule 1-4) and “Comparison Table of Use of Proceeds Raised – Proceeds from Non-public Issuance of H Shares in 2022” (Schedule 1-5) attached to this report.

(II) Changes in Projects Actually Financed by Proceeds from Previous Fund Raising Activities

As of 31 December 2023, the projects to be financed by the proceeds from previous fund raising activities of China Southern Airlines had not changed.

(III) External Transfer or Replacement of Projects Financed by Proceeds from Previous Fund Raising Activities

1. *Proceeds from Non-public Issuance of A Shares in 2020*

The 8th session of the board of directors of China Southern Airlines unanimously passed the Resolution on the Use of Proceeds Raised to Replace the Initial Investment, and agreed to utilise the proceeds of RMB5,273,926,157.75 to replace the self-raised funds initially invested in the projects to be financed by the proceeds during the period from 1 November 2019 to 11 June 2020. KPMG Huazhen LLP issued the Verification Report on the Reporting of the Investment Projects with the Utilisation of Self-raised Funds Applied on China Southern Airlines Company Limited (KPMG Huazhen Zhuan Zi No. 2000813). CICC, the sponsor, issued a verification opinion on the Company’s utilisation of the proceeds to replace self-raised funds initially invested in the projects to be financed by the proceeds.

As of 23 June 2020, the above replacement of pre-invested self-raised funds with the proceeds had been completed. The specific replacement is as follows:

Unit: RMB'0000

Project name	Total investment amount	Amount of the proceeds planned to be used	Amount pre-invested with self-raised funds from 1 November 2019 to 11 June 2020	Amount to be replaced
Procurement of 31 Aircraft	4,025,487.00	927,608.53	177,392.62	177,392.62
Repayment of the Company's borrowings	448,123.00	350,000.00	350,000.00	350,000.00
Total	4,473,610.00	1,277,608.53	527,392.62	527,392.62

2. Proceeds from Public Issuance of A Share Convertible Bonds in 2020

The 8th session of the board of directors of China Southern Airlines unanimously passed the Resolution on the Use of Proceeds Raised to Replace the Initial Investment, and agreed to utilise the proceeds of RMB445,608,783.59 to replace the self-raised funds initially invested in the projects to be financed by the proceeds during the period from 15 May 2020 to 30 September 2020. KPMG Huazhen LLP issued the Verification Report on the Reporting of the Investment Projects with the Utilisation of Self-raised Funds Applied on China Southern Airlines Company Limited (KPMG Huazhen Zhuan Zi No. 2001017). CICC, the sponsor, issued a verification opinion on the Company's utilisation of the proceeds to replace self-raised funds initially invested in the projects to be financed by the proceeds.

As of 23 October 2020, the above replacement of pre-invested self-raised funds with the proceeds had been completed. The specific replacement is as follows:

Unit: RMB'0000

Project name	Total investment amount	Amount of the proceeds planned to be used	Amount pre-invested with self-raised funds from 15 May 2020 to 30 September 2020	Amount to be replaced
Purchasing aircraft and aviation equipment and maintenance	2,168,601.96	1,057,960.39	34,147.25	34,147.25
Introduction of spare engines	65,553.50	60,000.00	10,413.63	10,413.63
Supplementing working capital	480,000.00	480,000.00	–	–
Total	2,714,155.46	1,597,960.39	44,560.88	44,560.88

3. Proceeds from Non-public Issuance of A Shares in 2022

China Southern Airlines has not carried out the replacement of the proceeds.

China Southern Airlines has not externally transferred any project financed by the proceeds raised from previous fund raising activities.

(IV) Description of Use of Idle Proceeds from Previous Fund Raising Activities

1. Proceeds from Non-public Issuance of A Shares in 2020

On 23 June 2020, the 8th session of the board of directors of China Southern Airlines passed the Resolution on Cash Management of Idle Proceeds Raised, and within 12 months from the date of approval by the board of directors, agreed to the Company's cash management of part of the idle proceeds from the non-public issuance of A Shares of no more than RMB7.5 billion (inclusive). The investment products were 7-day notice deposit certificate and large-value certificate of deposit. According to the use plan of the proceeds raised, 7-day notice deposit certificate and large-value certificate of deposit products with different maturities were matched, and within the above-mentioned limit, the proceeds could be utilised on a rolling

basis. On 4 June 2021, the 9th session of the board of directors of China Southern Airlines passed the Resolution on Extending the Use of Idle Proceeds Raised for Cash Management, and agreed to the Company's extension of the cash management of temporarily idle proceeds from non-public issuance of A Shares, with an extension period of 12 months from the date of expiration of the validity period as previously authorised by the board of directors. The temporarily idle proceeds for the extension of cash management, with a maximum of RMB4.8 billion (inclusive), shall be subject to a rolling management within such limit and are invested in 7-day notice deposit certificate, large-value certificate of deposit and other deposit products. On 28 April 2022, the 6th meeting of the 9th session of the board of directors of China Southern Airlines considered and approved the Proposal on Extension of the Cash Management of Temporarily Idle Proceeds Raised from Non-public Issuance of A Shares and Public Issuance of A Share Convertible Bonds of the Company, and agreed to the Company's extension of the cash management of temporarily idle proceeds from non-public issuance of A Shares, with an extension period of 12 months from the date of expiration of the validity period as previously authorised by the board of directors. The temporarily idle proceeds for the extension of cash management, with a maximum of RMB1.9 billion (inclusive), shall be subject to a rolling management within such limit and are invested in 7-day notice deposit certificate, large-value certificate of deposit and other deposit products. On 28 April 2023, the 14th meeting of the 9th session of the board of directors of China Southern Airlines considered and approved the Resolution on Extending the Use of Temporarily Idle Proceeds Raised from Non-public Issuance of A Shares and Public Issuance of A Share Convertible Bonds of the Company for Cash Management, and agreed to the Company's extension of the cash management of temporarily idle proceeds from non-public issuance of A Shares, with an extension period of 12 months from the date of expiration of the validity period as previously authorised by the board of directors. The temporarily idle proceeds for the extension of cash management, with a maximum of RMB1.8 billion (inclusive), shall be subject to a rolling management within such limit and are invested in 7-day notice deposit certificate, negotiable large-value certificate of deposit and other deposit products.

As of 31 December 2023, the total unredeemed or undue amount of China Southern Airlines' cash management with idle proceeds was RMB1,621,500,000.00, all of which are negotiable large-value certificate of deposit.

2. Proceeds from Public Issuance of A Share Convertible Bonds in 2020

On 23 October 2020, the 8th session of the board of directors of China Southern Airlines passed the Resolution on Cash Management of Idle Proceeds Raised, and within 12 months from the date of approval by the board of directors, agreed to the Company's cash management of part of the idle proceeds from the public issuance of A Share Convertible Bonds of no more than RMB10.8 billion (inclusive). The investment products were 7-day notice deposit certificate and large-value certificate of deposit. According to the use plan of the proceeds raised, 7-day notice deposit certificate and large-value certificate of deposit products with different maturities were matched, and within the above-mentioned limit, the proceeds could be utilised on a rolling basis. On 4 June 2021, the 9th session of the board of directors of China

Southern Airlines passed the Resolution on Extending the Use of Idle Proceeds Raised for Cash Management, and agreed to the Company's extension of the cash management of temporarily idle proceeds from public issuance of A Share Convertible Bonds, with an extension period of 12 months from the date of expiration of the validity period as previously authorised by the board of directors. The temporarily idle proceeds for the extension of cash management, with a maximum of RMB9.4 billion (inclusive), shall be subject to a rolling management within such limit and are invested in 7-day notice deposit certificate, large-value certificate of deposit and other deposit products. On 28 April 2022, the 6th meeting of the 9th session of the board of directors of China Southern Airlines considered and approved the Proposal on Extension of the Cash Management of Temporarily Idle Proceeds Raised from Non-public Issuance of A Shares and Public Issuance of A Share Convertible Bonds of the Company, and agreed to the Company's extension of the cash management of temporarily idle proceeds from the public issuance of A Share Convertible Bonds, with an extension period of 12 months from the date of expiration of the validity period as previously authorised by the board of directors. The temporarily idle proceeds for the extension of cash management, with a maximum of RMB5.4 billion (inclusive), shall be subject to a rolling management within such limit and are invested in 7-day notice deposit certificate, large-value certificate of deposit and other deposit products. On 28 April 2023, the 14th meeting of the 9th session of the board of directors of China Southern Airlines considered and approved the Resolution on Extending the Use of Temporarily Idle Proceeds Raised from Non-public Issuance of A Shares and Public Issuance of A Share Convertible Bonds of the Company for Cash Management, and agreed to the Company's extension of the cash management of temporarily idle proceeds from the public issuance of A Share Convertible Bonds, with an extension period of 12 months from the date of expiration of the validity period as previously authorised by the board of directors. The temporarily idle proceeds for the extension of cash management, with a maximum of RMB3.3 billion (inclusive), shall be subject to a rolling management within such limit and are invested in 7-day notice deposit certificate, negotiable large-value certificate of deposit and other deposit products.

As of 31 December 2023, the total unredeemed or undue amount of the Company's cash management with idle proceeds was RMB1,875,000,000.00, all of which are negotiable large-value certificate of deposit.

(V) The Unused Proceeds from Previous Fund Raising Activities

1. Proceeds from Non-public Issuance of A Shares in 2020

As of 31 December 2023, the actual net proceeds of the Company from the non-public issuance of A Shares in 2020 were RMB12,776,085,313.42, of which the actual proceeds used were RMB11,570,415,000.31, and the unused proceeds were RMB1,205,670,313.11, representing 9.44% of the net proceeds from previous fund raising activities. The proceeds have not been fully utilised, and the remaining funds will continue to be used in accordance with the committed investment projects.

2. *Proceeds from Public Issuance of A Share Convertible Bonds in 2020*

As of 31 December 2023, the actual net proceeds of the Company from the public issuance of A Share Convertible Bonds in 2020 were RMB15,979,603,919.72, of which the actual proceeds used were RMB14,792,049,799.69, and the unused proceeds were RMB1,187,554,120.03, representing 7.43% of the net proceeds from previous fund raising activities. The proceeds have not been fully utilised, and the remaining funds will continue to be used in accordance with the committed investment projects.

**III. BENEFITS REALISED FROM PROJECTS FINANCED BY PROCEEDS FROM
PREVIOUS FUND RAISING ACTIVITIES**

For details of the benefits realised from the projects financed by the proceeds from previous fund raising activities of China Southern Airlines, please refer to the “Comparison Table of Actual Benefits Realised from Projects Financed by Proceeds from Previous Fund Raising Activities – Proceeds from Non-public Issuance of A Shares in 2020” (Schedule 2-1), “Comparison Table of Actual Benefits Realised from Projects Financed by Proceeds from Previous Fund Raising Activities – Proceeds from Non-public Issuance of H Shares in 2020” (Schedule 2-2), “Comparison Table of Actual Benefits Realised from Projects Financed by Proceeds from Previous Fund Raising Activities – Proceeds from Public Issuance of A Share Convertible Bonds in 2020” (Schedule 2-3), “Comparison Table of Actual Benefits Realised from Projects Financed by Proceeds from Previous Fund Raising Activities – Proceeds from Non-public Issuance of A Shares in 2022” (Schedule 2-4), and “Comparison Table of Actual Benefits Realised from Projects Financed by Proceeds from Previous Fund Raising Activities – Proceeds from Non-public Issuance of H Shares in 2022” (Schedule 2-5) attached to this report.

**IV. DESCRIPTION OF OPERATION OF ASSETS USED TO SUBSCRIBE FOR
SHARES IN PROCEEDS FROM PREVIOUS FUND RAISING ACTIVITIES**

No assets were used to subscribe for shares in the proceeds from previous fund raising activities of China Southern Airlines.

**V. COMPARISON BETWEEN USE OF PROCEEDS FROM PREVIOUS FUND
RAISING ACTIVITIES AND INFORMATION DISCLOSED IN THE COMPANY’S
ANNUAL REPORT**

The actual use of proceeds raised by China Southern Airlines from previous fund raising activities is consistent with the relevant content disclosed in the Company’s periodic reports and other information disclosure documents.

VI. CONCLUSION

The board of directors of China Southern Airlines believes that all of the proceeds from previous fund raising activities have been fully received, and China Southern Airlines has utilised the proceeds as intended. China Southern Airlines has faithfully fulfilled its obligation to disclose the investment and progress of the proceeds from previous fund raising activities.

All directors of China Southern Airlines warrant that there are no misrepresentations, misleading statements or major omissions in this report, and severally and jointly accept legal responsibility for the truthfulness, accuracy and completeness of the information contained herein.

Schedules: 1. Comparison Table of Use of Proceeds Raised

2. Comparison Table of Actual Benefits Realised from Projects Financed by
Proceeds from Previous Fund Raising Activities

China Southern Airlines Company Limited
27 March 2024

Schedule 1-1

China Southern Airlines Company Limited
Comparison Table of Use of Previous Proceeds Raised –
Proceeds from Non-public Issuance of A Shares in 2020
 As of 31 December 2023

Unit: RMB'0000

Prepared by: China Southern Airlines Company Limited

No.	Investment projects	Total investment amount of the proceeds		Accumulated investment amount of the proceeds as at the cut-off date		The difference between actual investment amount and committed investment amount after the issuance ^(Note 2)	Date on which the project reached the working condition for its intended use (or the completion progress of the project as at the cut-off date)
		Committed investment amount prior to the issuance	Actual investment amount	Committed investment amount prior to the issuance	Actual investment amount		
		927,608.53	807,041.50	927,608.53	807,041.50	-120,567.03	87.00%
1	Procurement of 31 aircraft	927,608.53	807,041.50	927,608.53	807,041.50	-120,567.03	87.00%
2	Repayment of the Company's borrowings	350,000.00	350,000.00	350,000.00	350,000.00	-	100.00%
		1,277,608.53	1,157,041.50	1,277,608.53	1,157,041.50	-120,567.03	-
Total		1,277,608.53	1,157,041.50	1,277,608.53	1,157,041.50	-120,567.03	-

Total amount of proceeds: 1,277,608.53
 Total amount of proceeds subject to a change of use: N/A
 Proportion of total amount of proceeds subject to a change of use: N/A

Accumulated total amount of proceeds used: 1,157,041.50
 Total amount of proceeds used in each year: 1,157,041.50
 2020: 696,614.58
 2021: 372,909.15
 2022: 87,517.77
 2023: -

Note 1: The gross proceeds raised from Non-public Issuance of A Shares in 2020 were RMB12,782,393,520.97. After deducting the sponsorship and underwriting expenses of RMB2,000,000.00 (VAT inclusive), the net cash subscription amount actually received was RMB12,780,393,520.97. After deducting other issuance expenses of RMB4,308,207.55 (VAT inclusive) paid by the Company from the net cash subscription amounts, the actual net proceeds raised were RMB12,776,085,313.42. The committed investment amount was adjusted with regards to the actual proceeds of RMB12,776,085,313.42 in total.

Note 2: As of 31 December 2023, the Company utilised the proceeds raised from non-public issuance of A Shares in 2020 of RMB11,570,415,000.31 on an accumulated basis, and the balance of unutilised proceeds was RMB1,205,670,313.11. As at 31 December 2023, the unredeemed or undue amount of the Company's idle proceeds subject to cash management totaled RMB1,621,500,000.00, and the balance of special accounts for the proceeds was RMB436,766.15, and the total balance of proceeds was RMB1,621,936,766.15, including interest income of proceeds deposited at bank and cash management income from idle proceeds totalling RMB416,266,453.04.

Schedule 1-2

China Southern Airlines Company Limited
Comparison Table of Use of Previous Proceeds Raised –
Proceeds from Non-public Issuance of H Shares in 2020

As of 31 December 2023

Prepared by: China Southern Airlines Company Limited *Unit: RMB'0000*

Total amount of proceeds: 317,509.45		Accumulated total amount of proceeds used: 317,509.45		
Total amount of proceeds subject to a change of use: N/A		Total amount of proceeds used in each year: 317,509.45		
Proportion of total amount of proceeds subject to a change of use: N/A		2020: 317,509.45		
	Investment projects	Total investment amount of the proceeds	Accumulated investment amount of the proceeds as at the cut-off date	Date on which the project reached the working condition for its intended use (or the completion progress of the project as at the cut-off date)
No.	Actual investment project	Committed investment amount prior to the issuance	Committed investment amount after the issuance^(Note 3)	The difference between actual investment amount and committed investment amount after the issuance
1	Supplementing the general working capital of the Company	317,509.45	317,509.45	-
				100.00%
	Total	317,509.45	317,509.45	-

Note 3: The gross proceeds raised from issuance of H Shares in 2020 were RMB3,178,664,999.09. After deducting issuance expenses of RMB3,570,544.56, the net proceeds raised were RMB3,175,094,454.53. The committed investment amount was adjusted with regards to the actual proceeds to be RMB3,175,094,454.53 in total.

Schedule 1-3

China Southern Airlines Company Limited
Comparison Table of Use of Previous Proceeds Raised –
Proceeds from Public Issuance of A Share Convertible Bonds in 2020
As of 31 December 2023

Prepared by: China Southern Airlines Company Limited

Unit: RMB'0000

Total amount of proceeds: 1,597,960.39
Total amount of proceeds subject to a change of use: N/A
Proportion of total amount of proceeds subject to a change of use: N/A

Accumulated total amount of proceeds used: 1,479,204.98
Total amount of proceeds used in each year: 1,479,204.98
2020: 576,861.13
2021: 452,581.84
2022: 259,312.97
2023: 190,449.04

No.	Investment projects		Total investment amount of the proceeds		Accumulated investment amount of the proceeds as at the cut-off date		The difference between actual investment amount and committed investment amount after the issuance ^(Note 5)	Date on which the project reached the working condition for its intended use (or the completion progress of the project as at the cut-off date)
	Committed investment project	Actual investment project	Committed investment amount prior to the issuance	Committed investment amount after the issuance	Committed investment amount prior to the issuance	Actual investment amount		
1	Purchasing aircraft and aviation equipment and maintenance projects	Purchasing aircraft and aviation equipment and maintenance projects	1,057,960.39	1,057,960.39	1,057,960.39	935,582.13	-122,378.26	88.43%
2	Introduction of spare engines	Introduction of spare engines	60,000.00	60,000.00	60,000.00	63,622.85	3,622.85	106.04%
3	Supplementing working capital	Supplementing working capital	480,000.00	480,000.00	480,000.00	480,000.00	-	100.00%
Total			1,597,960.39	1,597,960.39	1,597,960.39	1,479,204.98	-118,755.41	-

Note 4: The gross proceeds raised from Public Issuance of A Share Convertible Bonds in 2020 were RMB16,000,000,000.00. After deduction of sponsorship and underwriting expenses of RMB17,691,726.00 (VAT inclusive), the net cash subscription amount actually received was RMB15,982,308,274.00. After deduction of other issuance expenses of RMB2,704,354.28 (tax inclusive) paid by the Company from the net cash subscription amounts, the actual net proceeds were RMB15,979,603,919.72. The committed investment amount was adjusted with regards to the actual proceeds to be RMB15,979,603,919.72 in total.

Note 5: As of 31 December 2023, the Company utilised the proceeds raised from the Public Issuance of A Share Convertible Bonds in 2020 of RMB14,792,049,799.69 on an accumulated basis, and the balance of the unutilised proceeds raised was RMB1,187,554,120.03. As at 31 December 2023, the unredeemed or undue amount of the Company's idle proceeds subject to cash management totaled RMB1,875,000,000.00, and the balance of special accounts for the proceeds was RMB4,051,326.48, and the total balance of proceeds was RMB1,879,051,326.48, including interest income of proceeds deposited at bank and cash management income from idle proceeds totalling RMB691,497,206.45.

Schedule 1-4

China Southern Airlines Company Limited
Comparison Table of Use of Previous Proceeds Raised –
Proceeds from Non-public Issuance of A Shares in 2022
As of 31 December 2023

Prepared by: China Southern Airlines Company Limited *Unit: RMB'0000*

No.	Committed investment project	Actual investment project	Total investment amount of the proceeds		Accumulated investment amount of the proceeds as at the cut-off date		The difference between actual investment amount and committed investment amount after the issuance ^(Note 6)	The difference between actual investment amount and committed investment amount after the issuance ^(Note 7)	Date on which the project reached the working condition for its intended use (or the completion progress of the project as at the cut-off date)
			Committed investment amount prior to the issuance	Committed investment amount after the issuance	Committed investment amount prior to the issuance	Committed investment amount after the issuance			
1	Supplementing working capital	Supplementing working capital	449,600.33	449,600.33	449,600.33	449,600.33	449,600.33	-	100.00%
	Total		449,600.33	449,600.33	449,600.33	449,600.33	449,600.33	-	

Accumulated total amount of proceeds used: 449,600.33
Total amount of proceeds used in each year: 449,600.33
2022: 449,600.33

Total amount of proceeds: 449,600.33
Total amount of proceeds subject to a change of use: N/A
Proportion of total amount of proceeds subject to a change of use: N/A

Note 6: The gross proceeds raised from Non-public Issuance of A Shares in 2022 were RMB4,499,999,996.80. After deducting the sponsorship and underwriting expenses of RMB1,800,000.00 (VAT inclusive), the net cash subscription amount actually received was RMB4,498,199,996.80. After deducting other issuance expenses of RMB2,196,679.71 (VAT inclusive) paid by the Company from the net cash subscription amounts, the actual net proceeds raised were RMB4,496,003,317.09. The committed investment amount was adjusted with regards to the actual proceeds of RMB4,496,003,317.09 in total.

Note 7: As of 31 December 2023, the Company's proceeds raised from non-public issuance of A Shares in 2022 had been fully utilised, and the special accounts for the proceeds raised from non-public issuance of A Shares in 2022 had been closed.

China Southern Airlines Company Limited
Comparison Table of Use of Previous Proceeds Raised –
Proceeds from Non-public Issuance of H Shares in 2022

As of 31 December 2023

Prepared by: China Southern Airlines Company Limited *Unit: RMB'0000*

Total amount of proceeds: 154,888.36		Accumulated total amount of proceeds used: 154,888.36		
Total amount of proceeds subject to a change of use: N/A		Total amount of proceeds used in each year: 154,888.36		
Proportion of total amount of proceeds subject to a change of use: N/A		2022: 154,888.36		
	Investment projects	Total investment amount of the proceeds	Accumulated investment amount of the proceeds as at the cut-off date	Date on which the project reached the working condition for its intended use (or the completion progress of the project as at the cut-off date)
Committed	Actual investment project	Committed investment amount prior to the issuance	Committed investment amount after the issuance^(Note 8)	
		investment amount prior to the issuance	investment amount after the issuance	
1	Supplementing working capital	154,888.36	154,888.36	100.00%
	Total	154,888.36	154,888.36	-

Note 8: The gross proceeds raised from issuance of H Shares in 2022 were RMB1,550,393,999.93. After deducting issuance expenses of RMB1,510,377.92, the actual net proceeds raised were RMB1,548,883,622.01. The committed investment amount was adjusted with regards to the actual proceeds to be RMB1,548,883,622.01 in total.

Schedule 2-1

China Southern Airlines Company Limited
Comparison Table of Actual Benefits Realised from Projects Financed by Proceeds from
Previous Fund Raising Activities – Proceeds from Non-public Issuance of A Shares in 2020
 As of 31 December 2023

Prepared by: China Southern Airlines Company Limited

Actual investment project No. Project name	Accumulated capacity utilisation rate of the investment project as of the cut-off date	Promised benefits	Actual benefits in the last three years			Accumulated benefits realised as of the cut-off date	Estimated benefits achieved
			2021	2022	2023		
1 Procurement of 31 aircraft	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2 Repayment of the Company's borrowings	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total							

China Southern Airlines Company Limited
Comparison Table of Actual Benefits Realised from Projects Financed by Proceeds from
Previous Fund Raising Activities – Proceeds from Non-public Issuance of H Shares in 2020
As of 31 December 2023

Prepared by: China Southern Airlines Company Limited

Actual investment project No. Project name	Accumulated capacity utilisation rate of the investment project as of the cut-off date	Promised benefits	Actual benefits in the last three years			Accumulated benefits realised as of the cut-off date	Estimated benefits achieved
			2021	2022	2023		
1 Supplementing the general working capital of the Company	N/A	N/A	N/A	N/A	N/A	N/A	Note 1
Total							

Note 1: The proceeds raised from Non-public Issuance of H Shares in 2020 were used to supplement the general working capital of the Company, of which the benefits could not be verified separately. Obtaining these proceeds reduced the asset-to-liability ratio of the Company, and further enhanced the financial position and asset structure as well as the Company's risk resistance capacity and competitiveness.

China Southern Airlines Company Limited
Comparison Table of Actual Benefits Realised from Projects Financed by Proceeds from
Previous Fund Raising Activities – Proceeds from Public Issuance of A Share Convertible Bonds in 2020
As of 31 December 2023

Prepared by: China Southern Airlines Company Limited

Actual investment project No. Project name	Accumulated capacity utilisation rate of the investment project as of the cut-off date	Promised benefits	Actual benefits in the last three years			Accumulated benefits realised as of the cut-off date	Estimated benefits achieved
			2021	2022	2023		
1 Purchasing aircraft and aviation equipment and maintenance	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2 Introduction of spare engines	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3 Supplementing working capital	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total							

Schedule 2-4

China Southern Airlines Company Limited
Comparison Table of Actual Benefits Realised from Projects Financed by Proceeds from
Previous Fund Raising Activities – Proceeds from Non-public Issuance of A Shares in 2022
As of 31 December 2023

Prepared by: China Southern Airlines Company Limited

Actual investment project No. Project name	Accumulated capacity utilisation rate of the investment project as of the cut-off date	Promised benefits	Actual benefits in the last three years			Accumulated benefits realised as of the cut-off date	Estimated benefits achieved
			2021	2022	2023		
1 Supplementing working capital	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total							

China Southern Airlines Company Limited
Comparison Table of Actual Benefits Realised from Projects Financed by Proceeds from
Previous Fund Raising Activities – Proceeds from Non-public Issuance of H Shares in 2022
As of 31 December 2023

Prepared by: China Southern Airlines Company Limited

Actual investment project No. Project name	Accumulated capacity utilisation rate of the investment project as of the cut-off date	Promised benefits	Actual benefits in the last three years		Accumulated benefits realised as of the cut-off date	Estimated benefits achieved
			2021	2022		
1 Supplementing the general working capital of the Company	N/A	N/A	N/A	N/A	N/A	Note 2
Total						

Note 2: The proceeds raised from Non-public Issuance of H Shares in 2022 were used to supplement the general working capital of the Company, of which the benefits could not be verified separately. Obtaining these proceeds reduced the asset-to-liability ratio of the Company, and further enhanced the financial position and asset structure as well as the Company's risk resistance capacity and competitiveness.

NOTICE OF AGM



中国南方航空股份有限公司 CHINA SOUTHERN AIRLINES COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1055)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of China Southern Airlines Company Limited (the “Company”) will be held at No. 3301 Conference Room, 33th Floor, China Southern Airlines Building, No. 68 Qixin Road, Bai Yun District, Guangzhou, Guangdong Province, the PRC on Friday, 24 May 2024 at 9:30 a.m. for the purpose of considering, if thought fit, to approve the following resolutions. Unless otherwise indicated, capitalised terms used herein have the same meanings as those defined in the circular of the Company dated 9 April 2024 (the “Circular”):

AS ORDINARY RESOLUTIONS

To consider and, if thought fit, approve the following resolutions as ordinary resolutions:

1. Resolution regarding the Report of the Board of the Directors of the Company for the year 2023;
2. Resolution regarding the Report of the Supervisory Committee of the Company for the year 2023;
3. Resolution regarding the full text and extract of Annual Report and the Annual Results Announcement of the Company for the year 2023;
4. Resolution regarding the audited consolidated financial statements of the Company for the year 2023;
5. Resolution regarding the profit distribution proposal of the Company for the year 2023;

Considering that the Company suffered an operating loss for the year 2023, which does not meet the conditions for profit distribution as required under the Articles of Association, the Board did not recommend any payment of cash dividend or conversion of capital reserve into share capital or other profit distribution of the Company for the year 2023.

6. Resolution Regarding the appointment of external auditor for the year 2024;

To agree to appoint KPMG Huazhen (Special General Partnership) to provide professional services to the Company for its domestic financial reporting and internal control reporting, U.S. financial reporting and internal control of financial reporting for the year 2024 and to appoint KPMG to provide professional services to the Company for its Hong Kong financial reporting for the year 2024.

NOTICE OF AGM

AS SPECIAL RESOLUTIONS

To consider and, if thought fit, approve the following resolutions as special resolutions:

7. **THAT**

(A) the Board of the Company be and is hereby authorised to allot, issue and deal with additional shares of the Company under the general mandate.

(1) subject to paragraph (3) of this resolution, the Board of the Company be and is hereby generally and unconditionally authorised to exercise during the Relevant Period (as defined in paragraph (4) of this resolution) of all the powers of the Company to allot, issue and deal with additional A Shares and/or H Shares of the Company (hereinafter referred to as “Shares”) and to make or grant offers, agreements and options which might require the exercise of such powers;

(2) the authorisation to the Board of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period be and is hereby approved;

(3) the number of additional A Shares and H Shares (as the case may be) allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with either separately or concurrently by the Board of the Company pursuant to the authorisation in paragraph (1) of this resolution shall not exceed 20% of the total number of each of the Company’s existing A Shares and H Shares (as the case may be) in issue at the date of passing this resolution; and

(4) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until the earlier of:

(a) the conclusion of the 2024 annual general meeting of the Company;

(b) the expiration of the 12 months period following the passing of this resolution; and

(c) the revocation or variation of the authority given to the Board of the Company under this resolution by a special resolution of the Company’s shareholders at a general meeting.

NOTICE OF AGM

- (B) the Board of the Company be and is hereby authorised to increase the registered capital of the Company to reflect the issue of Shares authorised pursuant to the above paragraph (A) of this resolution, to make such appropriate and necessary amendments to the Articles of Association as they think fit to reflect such increase in the registered capital of the Company upon the allotment or issuance of shares, and to take any other action and go through any procedure required to effect such increase of the registered capital of the Company.
8. **THAT** the Board be and is hereby authorised to determine the specific Debt Financing Instruments and issuance plan, and to issue, in one or multiple tranche(s), Debt Financing Instruments within the permissible size for debt issuance in accordance with the requirements of the applicable laws and regulations under the general mandate.

AS ORDINARY RESOLUTION

To consider and, if thought fit, approve the following resolutions as ordinary resolutions:

9. Resolution regarding the Company's unrecovered losses amounting to one-third of the total paid-up share capital;
10. Resolution regarding the Report on Use of Proceeds from the Previous Fund Raising Activities. Details of this resolution are set out in Appendix I to the Circular.

By order of the Board
China Southern Airlines Company Limited
Chen Wei Hua and Liu Wei
Joint Company Secretaries

Guangzhou, the People's Republic of China

9 April 2024

As at the date of this notice, the Directors include Ma Xu Lun, Han Wen Sheng and Luo Lai Jun as executive Directors; and Pansy Catilina Chiu King Ho, Gu Hui Zhong, Guo Wei and Cai Hong Ping as independent non-executive Directors.

NOTICE OF AGM

Notes:

1. Persons who are entitled to attend the AGM

- a. Holders of the H Shares and A Shares whose names appear on the register of holders of H Shares and register of holders of A Shares of the Company, respectively, on Wednesday, 24 April 2024 (“**Eligible Shareholders**”) or their representatives are entitled to attend the AGM after completion of the required registration procedures in accordance with Note 2 “Registration procedures for attending the AGM”. Holders of A Shares shall receive a notice separately.
- b. The directors, supervisors and senior management of the Company.
- c. Representatives of the professional advisers hired by the Company and special guests invited by the Board.

2. Registration procedures for attending the AGM

- a. Eligible Shareholders who intend to attend the AGM either in person or by proxy must deliver to the Company on or before Friday, 3 May 2024, in person or by post at the registration address of the Company, or by fax at (+86) 20-8665 9040, the reply slip, which is attached to the notice of the AGM as Attachment A.
- b. When attending the AGM, individual Eligible Shareholder or his/her proxy shall bring along his/her identity card. The legal representative of a corporate Eligible Shareholder attending the AGM shall bring along his/her identity card, together with a notarised copy of the resolution or power of attorney issued by the board of directors or other governing body of the corporate Eligible Shareholder to appoint such legal representative to attend the meeting.
- c. Holders of H Shares who intend to attend the AGM must deliver their instruments of transfer together with the relevant share certificates to Hong Kong Registrars Limited, the registrar of H Shares, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on Tuesday, 23 April 2024.
- d. The register of holders of H Shares will be closed from 24 April 2024 to 24 May 2024 (both days inclusive), during which period no transfer of H Shares will be registered.

3. Proxies

- a. An Eligible Shareholder has the right to appoint one or more proxies to attend the AGM and vote on his/her behalf. A proxy does not need to be a Shareholder. A proxy of a shareholder who has appointed more than one proxy may only vote on a poll.
- b. A proxy must be appointed by an Eligible Shareholder or his/her attorney by way of a form of proxy for the AGM, which is attached to the notice of AGM as Attachment B. If the proxy is appointed by the attorney of an Eligible Shareholder, the power of attorney or other authorisation document(s) authorizing such attorney to appoint the proxy must be notarised.
- c. To be valid, for holders of A Shares, the notarially certified power of attorney, or other document of authorisation, and the form of proxy must be delivered to the registered address of the Company no later than 24 hours before the time appointed for the holding of the AGM. To be valid, for holders of H Shares, the notarised power of attorney or other authorisation document(s), together with the completed form of proxy for the AGM, must be lodged with Hong Kong Registrars Limited within the same period of time.

4. Miscellaneous

- a. The AGM are expected to last for not more than one day. Eligible Shareholders (or their proxies) who attend shall bear their own travelling and accommodation expenses.
- b. The address of the headquarter of the Company is:
China Southern Airlines Building
No. 68 Qixin Road, Baiyun District
Guangzhou
Guangdong Province
Postcode 510403
Telephone No.: (+86) 20-8611 2480
Facsimile No.: (+86) 20-8665 9040
Website: www.csair.com
Contact person: Mr. Wu
- c. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the AGM shall be voted by poll.